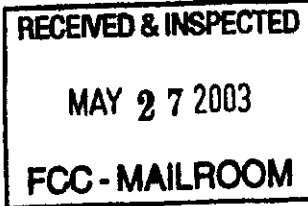


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United States Senate

ORIGINAL 02-235



May 20, 2003

The Honorable Michael Powell
Chairman
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

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Dear Chairman Powell:

The Federal Communication Commission's rules pertaining to local media-ownership have long served a vital function, ensuring that Americans receive the benefit of diverse viewpoints in the media marketplace. However, recent plans by the FCC to loosen media-ownership rules, and the potential unification of virtually all Hispanic media under one banner, would severely undermine the important work of the Commission.

The FCC's cap on station ownership at 35% of the national TV audience has served as a bulwark not only in preserving diversity of viewpoints in the media marketplace, but in making certain that local programming reflects local values and preferences. If the cap is increased to 45% we can rest assured that major networks will meet or exceed the new threshold (as some companies have done under the current standards), allowing for the acquisition of local stations while eliminating the unique choices local programming can provide. The full extent to which this move will operate to the detriment of privately-owned stations is unclear – all the more reason for additional study.

We are further alarmed by proposed FCC guidelines that would effectively remove the newspaper-broadcast cross-ownership limitations in 80-percent of all media markets. Currently, cross-ownership rules prevent a single corporation from becoming too powerful a voice in a given community. There are those who argue that the increase in the number of media outlets has obviated the need for such rules. The reality, of course, debunks this notion – while the number of media outlets has increased, ownership has become more concentrated. There are certainly no fewer opinions among the populace today than in 1975 when the current standard was established, but there are undoubtedly fewer true avenues for their expression

In light of these facts, it seems illogical that the FCC would exacerbate a disturbing trend which is transforming the marketplace of ideas into little more than a corporate superstore. The numbers tell the story. According to the Economic Policy Institute, the number of owners of commercial radio stations has declined by approximately 25% since 1996. Even more alarming, since 1995, "the number of entities owning commercial TV stations has dropped by 40%" (Gomery 2002). Furthermore, although the number of

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different platforms for news and information is expanding, until more Americans use these resources, we must protect the diversity of viewpoints available in more traditional media. In light of this trend, the FCC should be working to diversify – not homogenize – the news media.

These rules are of particular concern to the people of Vermont, and both the Vermont Legislature and the Vermont Press Association have expressed opposition towards any hasty decision to change the media ownership rules. On May 13, 2003, the Vermont Legislature passed a joint resolution echoing the apprehension felt by many around the state. The measure passed without a single dissenting voice, and it urges the FCC to “refrain from relaxing further the restrictions on broadcast media outlet ownerships.” In a show of support for this position, the Vermont Press Association provided an unqualified endorsement of the resolution on May 15, and we hope you will pay special attention to their views:

Although FCC rules are a federal matter, what we read in newspapers, hear on the radio and see on television is a local and state issue. There is too much consolidation in the news business and too few independent voices; relaxing cross ownership rules even more will hurt all citizens. As a board, we support increased diversity in media ownership, not less.

Moreover, now is the time for careful consideration because once new guidelines are promulgated, media companies may enter legal relationships with the expectation that those guidelines will continue in place.

The unified voice of Vermont is not without support from the nation at-large, and I wish to note the growing, bipartisan chorus of legislators advocating public debate before these important decisions are undertaken. Moving with an overabundance of speed when careful consideration is more appropriate will only raise doubts as to the motives underpinning any decision to alter the current ownership rules. As of today, more than one-hundred lawmakers, as well as consumer groups, unions, and small business groups have raised serious doubts as to the wisdom of the proposed changes.

Additionally, many of these same individuals have raised concerns over the proposed merger of Univision and the Hispanic Broadcasting Corporation. If the merger is approved, it would result in the near-complete consolidation of all Spanish-language media under one corporate ledger head. Before signing off on this merger, we urge the FCC to determine if the Hispanic media-market is separate and distinct, and therefore deserving of the same public interest analysis afforded to English-speaking media. Diversity of opinion and ideas is a laudable goal that translates well into any language.

Now is the time to move with thoughtful deliberation, so that political branches and the public might retain confidence that the FCC is acting with the broader interests of society at heart. Implementing new guidelines before the public can adequately and openly debate them does not convey that message. We therefore urge the Federal Communications Commission to delay the implementation of proposed changes to ownership rules until such time as the measures can be debated fully.

We further request the FCC to delay a vote on the merits of the proposed Univision and HBC merger until thorough administrative proceedings determine whether or not Hispanic media is a separate market for the purposes of the FCC's public interest analysis.

Sincerely,

A handwritten signature in black ink, reading "Patrick Leahy" in a cursive style.

PATRICK LEAHY
U S. Senator

A handwritten signature in black ink, reading "Jim Jeffords" in a cursive style.

JAMES JEFFORDS
U.S. Senator